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RUEKJCS/SECDEF WASHINGTON DC//USDP EURASIA//
RUEKJCS/SECDEF WASHINGTON DC//USDP-SOLIC-CN//
RUEATRS/DEPT OF TREASURY WASHDC//IET//
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UNCLAS SECTION 01 OF 05 ALMATY 001960

SIPDIS

SENSITIVE

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STATE FOR INL (PRAHAR, MCCOWAN, AND HOOKER); EUR/ACE
(MLONGI); SCA/CEN (JMUDGE); DHS FOR TOM WALTERS AND CHARLES
WHITMIRE

E.O. 12958: N/A

TAGS: [SNAR](#) [ASEC](#) [KCOR](#) [KCRM](#) [PREL](#) [KZ](#)

SUBJECT: KAZAKHSTAN: A/S PATTERSON'S MEETINGS WITH GOK
OFFICIALS IN ASTANA

REF: A. Almaty 1661, B. 05 ALMATY 4353

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¶1. (SBU) Summary: During a May 12 visit to Astana, INL A/S Anne Patterson, accompanied by Ambassador Ordway, secured agreement with the Vice Minister of Interior to initiate a counter-narcotics strategy dialogue. Her conversation with the Deputy Procurator General broke through a logjam on the delivery of long-promised statistical data on crimes. She also met with the Chairman of the Committee for National Security (KNB), who agreed to establish a relationship between the KNB Military Institute in Almaty and the U.S. Border Patrol Academy in Artesia, New Mexico. During her meetings, A/S Patterson also discussed bilateral and multilateral efforts to combat narcotics trafficking, the draft AML law, and Kazakhstani progress to combat trafficking in persons. End Summary.

MINISTRY OF INTERIOR

¶2. (SBU) During a May 5 meeting with A/S Boucher (Ref A), Interior Minister Mukhamedzhanvov suggested a periodic bilateral information exchange on counter-narcotics. INL Assistant Secretary Anne Patterson agreed to support periodic meetings between U.S. and Kazakhstani counter-narcotics officials to discuss measures that can be taken to address the massive volume of Afghan-origin heroin that transits Kazakhstan. At the Ministry of Interior (MVD), A/S Patterson met with two Vice Ministers, Mr. Kalmukhambet Kasymov and General Anatoliy Vyborov, who is also the head of the MVD Committee on Combating Narcotics and a close contact of the Embassy's INL section. The discussions focused on strengthening bilateral cooperation and expanding multilateral information sharing and joint activities, and interdiction of heroin from Afghanistan.

¶3. (SBU) A/S Patterson noted the importance of the Central Asia Regional Information and Coordination Center (CARICC) to creating a regional response to the Afghan narcotics

problem. She queried the MVD Vice-Ministers on when the promised building would be made available so CARICC could become operational. Vyborov announced that the Government of Kazakhstan has already allocated the money for renovating the future site of the CARICC facility. By the end of June, Vyborov added, it is planned that President Nazarbayev will appoint the Head of CARICC after joint approval by all seven heads of the CARICC-member states, per the procedures in the founding documents of the regional body. After this, Vyborov continued, liaison officers would need to be nominated and over the next year CARICC would become operational. (Note: Subsequently, the Head of the UNODC Regional Office in Central Asia told us that early 2007 is the best estimate at the moment and that the current holdup is moving out the current building occupants - a GOK statistics agency. End Note)

14. (SBU) A/S Patterson asked whether there was a centralized nario-trafficking organization in Kazakhstan. Vyborov responded that Kazakhstan does not have a single narcotics trafficking structure like that of Pablo Escobar in Colombia, but smaller ethnically based narcotics rings operated by the Chechens, Roma, and Russian nationals do exist. He offered that their ethnic and other differences are sufficient to keep them from creating a unified structure.

15. (SBU) Speaking broadly about the narcotics situation in Kazakhstan, General Vyborov stressed the difficulties the country is facing with drug addiction. He said there are 54,000 registered drug addicts in Kazakhstan, although the actual number of addicts is believed to be twice this official figure. According to Vyborov, this is an alarmingly understated number and bodes very ill for the future, because even the number of registered drug addicts is increasing at 10% per year.

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16. (SBU) Furthermore, Vyborov stated that with the huge territory that must be monitored, capabilities are limited. (Note: Kazakhstan is the ninth largest country in the world with 15,000 kilometers of border. End Note) He offered that, notwithstanding the transit of Afghan-originated narcotics, there were 150,000 hectares of marijuana growing in the Chu river valley in south Kazakhstan and approximately 60 tons per year was harvested and exported each year. He highlighted the need for specialized equipment, especially air assets, and expressed the hope that CARICC would provide usable information for interdiction operations.

17. (SBU) A/S Patterson noted the similarity between Kazakhstan's challenges and the interdiction struggle on the southern U.S. border. She said that in her experience, low-tech solutions were found to be more effective than the more expensive high-tech options. In her view, officers on the ground in mobile patrols serve as a better interdiction approach than very expensive helicopters. She did note that if the mobile forces were coupled with small fixed wing surveillance aircraft, their effectiveness could be increased for a moderate additional expense.

18. (SBU) In response to a query from Ambassador Ordway about the area of primary drug use, Vyborov pointed out that intravenous narcotics use is prevalent in the southern region of Kazakhstan and that the use of synthetics from Russia and Western Europe is dominant in the northern part of the country. Given the growing magnitude of this problem, Vyborov said that it would be beneficial for Kazakhstanis to learn from the U.S. experience in drug demand reduction and drug addiction treatment.

19. (U) In response to the request for U.S. advice, Ambassador Ordway noted that the U.S. and the GOK could conduct counter-narcotics strategy coordination meetings to

share information on combating narcotics trafficking and related problems. A/S Patterson secured agreement from Vyborov that this would be acceptable, and offered to organize the first meeting later in the year. She offered also to help the GOK combat the corrupting effect of illegal narcotics money on the law enforcement community.

¶10. (U) Vice Minister Vyborov commended to the Assistant Secretary the cooperation between INL and his Committee,

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pointing to the Ulken checkpoint project as an excellent example of joint effort. He emphasized that future cooperation on this and other projects is critical to the country's efforts in combating narcotics. (Note: Ulken is one of six checkpoints INL is constructing in cooperation with UNODC to interdict narcotics flowing northward through Kazakhstan. End Note.)

PROCURATOR GENERAL'S OFFICE

¶11. (SBU) A/S Patterson requested that Deputy Procurator General Daulbayev resolve a long-standing issue relating to the publication of a crime statistics as mandated by the 2003 U.S.-Kazakhstan Letter of Agreement. Daulbayev announced that the abstract has been declassified and will shortly be distributed to the Embassy as well as to the public.

¶12. (SBU) Turning to a discussion point more to his liking, Daulbayev was positive and upbeat about the pending anti-money laundering (AML) law and the location of the Financial Intelligence Unit (FIU) within the Procurator's Office. Daulbayev said that the FIU was to be under the authority of the Procurator's Office in accordance with a Presidential decree. The Procurator's Office will assist with establishing the FIU, which, in about two years when it is fully established, then should become autonomous and

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accountable to the President only. He noted that the Procurator's Office was the most logical place to house the FIU because the Procurator's Office coordinates the activities of all law enforcement institutions. The Deputy Procurator General thanked A/S Patterson for the technical assistance the USG had provided and expressed the need for more compliance seminars targeting secondary banks and other financial institutions.

¶13. (SBU) In response to a question by A/S Patterson about the Procurator Office's role in combating narcotics trafficking from Afghanistan, Daulbayev cited the following numbers: in 2005, there were 410 narcotics-related cases and 408 kilograms of heroin were seized. (Note: This sum differs considerably from the 130 kilogram figure the GOK provided to INL for provision in the 2005 INCSR. End Note) Heroin seizure rates declined in the first quarter of 2006, however, to only 32.7 kilograms. Daulbayev stressed that only a fraction of the narcotics crossing the territory of Kazakhstan is seized by authorities due to Kazakhstan's vast territory and the mountainous terrain along the Kyrgyz border.

¶14. (SBU) Noting her next stop would be to attend the CENTCOM Central Asia Counter Narcotics Security Working Group meeting in Dushanbe, A/S Patterson inquired about the counter-narcotics cooperation between Kazakhstan and its neighbors. Daulbayev responded that the law enforcement agencies of Kazakhstan and neighboring countries enjoy close cooperation, but that given the stable supply of narcotics from Afghanistan to Tajikistan, it is Tajikistan which must serve as the first line of defense in combating narcotics. Daulbayev also pointed out that the number of Kazakhstanis who are involved in drug trafficking is insignificant in

comparison to the vast number of Tajik children and women involved in the trade.

¶15. (SBU) In conclusion, Daulbayev expressed his appreciation for the assistance provided by the USG and stressed the need to cooperate in reducing the cannabis cultivation in the Chu Valley. Daulbayev said that it would be interesting to learn more about international experience in processing cannabis for productive use and in purchasing chemicals to halt the growth of wild marijuana. He requested technical assistance in the form of drug detection devices. He also noted that the most effective GOK agency in countering narcotics is the Committee for National Security, which focuses on using intelligence information to break up drug trafficking rings.

COMMITTEE FOR NATIONAL SECURITY

¶16. (SBU) A/S Patterson and the Chairman of the Committee for National Security (KNB), Mr. Shabdarbayev, agreed to broaden cooperation on border security. Shabdarbayev promised that the Head of the Border Service and the Director of the Military Institute of the KNB would participate in an exchange visit to the U.S. Also attending the meeting was the Deputy Head of the Border Guard Service, General Uazhanov, who during his briefing divulged that there are 112 border crossing checkpoints in Kazakhstan, 95 of which are operational. (Note: This was the first time the Border Guards had provided us with such precise figures. End Note) Uazhanov continued that last year there were 7,500 violations of the borders of Kazakhstan and 8,000 arrests with contraband narcotics and consumer goods.

¶17. (SBU) When the Assistant Secretary asked about precursors in Kazakhstan, the KNB officials were quick to point out that there are no laboratories in Kazakhstan that produce precursors and that most precursors found in the country are produced in Pakistan and China. With the same vigor, another KNB officer pointed out that trafficking in persons is not a serious issue in Kazakhstan since

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Kazakhstan is only a transit country. (Comment: Despite the gesture of cooperation made by their boss, it appears old habits die hard. End comment)

¶18. (U) The KNB Chairman thanked A/S Patterson for the assistance of the USG and welcomed the idea of a professional exchange between the KNB Military Institute in Almaty and the Border Patrol Academy in Artesia, New Mexico. He hoped that this exchange would strengthen the ties between the two academies and generate a useful exchange of ideas and cooperation.

FINANCIAL POLICE

¶19. (SBU) A/S Patterson asked Sarybay Kalmurzayev, the Chairman of the Agency on Combating Economic Crimes and Corruption (Financial Police) about the role of his Agency once the pending anti-money laundering (AML) law is enacted. The Chairman pointed out that while the law was initially drafted within the walls of his Agency, responsibility for it was then transferred to the Procurator's Office, which subsequently wrote itself into the law as the lead financial monitoring agency. The FIU, Kalmurzayev added, ought to be housed in the Agency on Regulating Financial Markets and not in a law enforcement-related agency. (Comment: The Chairman's response betrayed the on-going competition between the Agency and the Procurator General's Office regarding financial crimes investigation. Given the historically powerful position of the PGO in Soviet and post-Soviet governments, for Kalmurzayev to win a bureaucratic

battle with the PGO would be difficult. End comment) (Note: The draft AML law was submitted by the government to the Mazhilis (lower house of parliament) for consideration in November, but as reported Ref B consideration was delayed until more information on the implications of the proposed law could be obtained by the parliamentarians. End Note)

¶20. (SBU) According to the Chairman, the investigation of suspicious financial transactions should be conducted by civilians and not by law enforcement officers, who could be pressured more easily to sway the investigation or to monitor only selected transactions.

¶21. (SBU) A/S Patterson complimented Kalmurzayev, noting INL's positive cooperation with the Financial Police Academy, and expressed her desire that the Academy continue to serve as a training venue for U.S. experts teaching investigation techniques and other AML courses for financial investigators in Kazakhstan. Kalmurzayev concurred.

¶22. (U) On the subject of detecting, investigating and prosecuting financial crimes, Kalmurzayev, stressed that it is difficult to tie economic and corruption-related crimes to narcotics-related crimes. In particular, the Chairman noted that it can be very difficult to identify the source of illicit money when it is being laundered. Mr. Kalmurzayev continued, saying that the Agency has been somewhat successful in fighting corruption-related crimes in prisons and has arrested several heads of prisons on corruption-related charges. According to Kalmurzayev, it has become common practice to pay a bribe in exchange for an early release from prison. He noted that, depending upon the circumstances, such a "paid-for" early release costs approximately \$30,000.

COMMENT

¶23. (SBU) Post views the visit of the Assistant Secretary as a resounding success. In resolving the long-delayed statistics issue, cementing counter-narcotics cooperation through establishment of periodic strategy sessions, and securing agreement for border security cooperation, the

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visit significantly advanced the U.S.-Kazakhstan bilateral relationship.

¶24. (U) This message was cleared by the Assistant Secretary.

ORDWAY